



J795 03/13/06 \$10,000.00

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

Order No. D06-117

CINCINNATI INSURANCE
COMPANYCONSENT ORDER
IMPOSING A FINEFindings of Fact:

1. Cincinnati Insurance Company ("Cincinnati Insurance") is authorized to conduct insurance business in Washington State. It issues property and casualty insurance.
2. Revised Code of Washington § 48.05.250 requires every insurer to file an annual statement for the previous calendar year with the Office of the Insurance Commissioner ("OIC") by February 28 of the following year. Cincinnati Insurance violated Revised Code of Washington § 48.05.250 and Washington Administrative Code § 284-07-050(2) by failing to file its year 2004 April Supplemental filing, including Management's Discussion and Analysis, Insurance Expense Exhibit, and Supplemental Risk Interrogatories, by the April 1, 2005 due date. The April Supplemental filing is a required annual statement supplement per the *National Association of Insurance Commissioners' Quarterly and Annual Statement Filing Instructions*. The Washington Office of the Insurance Commissioner ("OIC") also posts Annual Statement Filing Instructions on its website that indicate that this filing is due by April 1 of the following calendar year.
3. On April 22, 2005, the OIC sent a letter to Cincinnati Insurance, reminding it of this filing discrepancy. No response has been received by OIC to date.

Conclusions of Law:

1. Cincinnati Insurance's failure to timely file its calendar year 2004 April Supplemental filing constitutes a violation of RCW 48.05.250(1) and WAC 284-07-050(2).
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

Cincinnati Insurance consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501



1. Cincinnati Insurance consents to the entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. It waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order.

2. Within thirty days of the entry of this Order, Cincinnati Insurance will pay to the Insurance Commissioner a fine in the amount of \$10,000 (ten thousand dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by Cincinnati Insurance in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 9th day of MARCH, 2006.

CINCINNATI INSURANCE COMPANY

By: *Theresa A. Hoffer*

Printed Name: THERESA A. HOFFER

Printed Corporate Title: VICE PRESIDENT & TREASURER

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

Order:

1. Cincinnati Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$10,000 (ten thousand dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 14th day of March, 2006

MIKE KREIDLER
Insurance Commissioner

By: *Marcia G. Stickler*
Marcia G. Stickler

Legal Affairs Division